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**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS**

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/18/07

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INDEPENDENT AUDITORS' REPORT

To the Honorable Darren Mire
First Municipal District Assessor
Parish of Orleans
New Orleans, Louisiana

We have audited the accompanying financial statements of the **First Municipal District Assessor, Parish of Orleans (the Assessor)** as of and for the year ended December 31, 2006, as listed in the Table of Contents. These financial statements are the responsibility of the Assessor's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Assessor as of December 31, 2006, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Honorable Darren Mire
First Municipal District Assessor
Parish of Orleans
New Orleans, Louisiana
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In accordance with the Government Auditing Standards, we have also issued our report dated June 15, 2007 on our consideration of the Assessor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended December 31, 2006. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 7 and budgetary comparison on page 29 are not required as part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 15, 2007

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

First Municipal District Assessor, Parish of Orleans' (the Assessor) management's discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the Assessor's financial activity, and identify changes in the Assessor's financial position and its ability to address the next and subsequent years' challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and is intended to provide the financial results for the fiscal year ended December 31, 2006.

The following is an illustration on how this financial report is presented.

MD&A

Management's Discussion and Analysis
(Required and Supplementary Information)

Basic Financial Statements

Government-Wide Financial Statements

Fund Financial Statements

Notes to the Financial Statements

Other Required Supplementary Information

Required Supplementary Information

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

As indicated in the illustration, GASB 34 requires the presentation of two basic types of financial statements: Government-Wide Financial Statements and Fund Financial Statements.

Government-Wide Financial Statements

The government- wide financial statements provide a perspective of the Assessor as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various services.

Fund Financial Statements

The fund statements are similar to financial presentations of local governmental agencies, but the new focus is on the Assessor's major funds rather than fund types as in the past. The fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used. In addition, capital asset purchases are expensed and not recorded as assets. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

The General Fund is the only fund of the Assessor. The General Fund is used primarily to account for the general activities of the Assessor. Its revenues are derived from allotments and revenue sharing received from the Board of Assessors, Parish of Orleans (the Board).

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Financial Analysis of the Assessor

Summary of Net Assets				
Assets		<u>2006</u>	<u>2005</u>	<u>Change</u>
Current assets		\$ 248,076	\$ 42,424	\$ 205,652
Capital assets		29,377	27,027	2,350
Less accumulated depreciation		<u>(26,585)</u>	<u>(25,096)</u>	<u>(1,489)</u>
Capital assets, net book value		<u>2,792</u>	<u>1,931</u>	<u>(861)</u>
Total assets		<u>250,868</u>	<u>44,355</u>	<u>206,513</u>
Liabilities				
Current liabilities		<u>1,343</u>	<u>5,925</u>	<u>(4,582)</u>
Total liabilities		<u>1,343</u>	<u>5,925</u>	<u>(4,582)</u>
Net Assets				
Invested in capital assets		2,792	1,931	861
Unrestricted		<u>246,733</u>	<u>36,499</u>	<u>210,234</u>
Total net assets		<u>\$ 249,525</u>	<u>\$ 38,430</u>	<u>\$ 211,095</u>

As indicated by the statement above, total net assets are \$249,525. Net assets can be separated into two categories: invested in capital assets and unrestricted net assets.

The \$205,652 increase in current assets is a result of increased funding by the Orleans Parish Board of Assessors.

Invested in capital assets is a combination of capital assets at original cost less accumulated depreciation. The original cost of capital assets is \$29,377, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with accounting principles generally accepted in the United States of America, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$26,585.

The remaining \$246,733 in net assets is unrestricted. The unrestricted net assets are an accumulation of prior years' operating results. This balance is directly affected each year by the Assessor's operating results.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Results of Operations

	<u>2006</u>	<u>2005</u>	<u>Change</u>
Revenues			
Intergovernmental revenues – Board of Assessors	\$506,965	\$297,937	\$ 209,028
Interest income	1,736	625	1,111
Other income	<u>7,556</u>	<u>1,675</u>	<u>5,881</u>
Total revenues	<u>516,257</u>	<u>300,237</u>	<u>216,020</u>
Expenses			
Personnel services and related benefits	246,299	246,429	(130)
Operating services	<u>58,863</u>	<u>35,466</u>	<u>23,397</u>
Total expenses	<u>305,162</u>	<u>281,895</u>	<u>23,267</u>
Increase in net assets	<u>\$211,095</u>	<u>\$ 18,342</u>	<u>\$192,753</u>

Changes in the Assessor's revenue are reflected in the table above. Total revenues increased in 2006 by \$216,020, or about 72%, which is primarily due to a Legislative Act, which changed how the allotment is computed, and a distribution of surplus district allotment funding from the Orleans Parish Board of Assessors. The above statement shows how the \$211,095 increase in net assets occurred for 2006.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2006, the Assessor had \$29,377 invested in furniture, fixtures and equipment.

Assets	<u>2006</u>	<u>2005</u>
Furniture, fixtures and equipment	\$29,377	\$27,027
Less accumulated depreciation	<u>26,585</u>	<u>25,096</u>
Net capital assets	<u>\$ 2,792</u>	<u>\$ 1,931</u>

Depreciation expense for the year ended December 31, 2006 was \$1,489.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Economic Factors and Next Year's Budget

The major factor affecting the budget is the revenues received from the Board of Assessors, which includes the district allotment, revenue sharing, surplus district allotments, and on-behalf payments.

Original vs. Revised Budget

As required by state law, the Assessor adopts the original budget for the office prior to the commencement of the fiscal year to which the budget applies.

The Assessor amended its original budget twice during the 2006 fiscal year.

Revenue Budget

The Assessor's actual general fund revenues of \$516,257 were greater than the budget by \$5,627, a variance of about 1%.

Increase in Expenditure Budget

The Assessor's actual general fund expenditures of \$306,023 were greater than the budget by about 1%.

Contacting the Assessor Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Assessor's finances and demonstrate the Assessor's accountability for money it receives. If you have questions about this report or need additional information, contact Mr. Darren G. Mire, Assessor, at Room 4E01 City Hall, New Orleans, Louisiana 70112 or dgmire@orleansassessors.com.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
STATEMENT OF NET ASSETS
DECEMBER 31, 2006**

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>
Current Assets:	
Cash and cash equivalents (NOTES 2 AND 3)	\$ 71,176
Investments (NOTE 9)	173,567
Due from Board of Assessors	<u>3,333</u>
Total current assets	<u>248,076</u>
Capital assets (NOTE 4)	<u>2,792</u>
Total assets	<u>250,868</u>
 <u>LIABILITIES</u>	
Accounts payable	<u>1,343</u>
Total liabilities	<u>1,343</u>
 <u>NET ASSETS</u>	
Invested in capital assets	2,792
Unrestricted	<u>246,733</u>
Total net assets	<u>\$249,525</u>

The accompanying notes are an integral part of these financial statements.

FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

GOVERNMENTAL
ACTIVITIES

EXPENSES

Personnel Services and Related Benefits:	
Salaries and wages	\$ 88,949
On-behalf payments for Assessor	117,157
Hospitalization insurance	10,765
Retirement	17,350
Payroll taxes	10,478
Other expenses	<u>1,600</u>
Total personnel services and related benefits	<u>246,299</u>
Operating Services:	
Office supplies and expenses	8,043
Assessor's personal expense allowance	8,774
Automobile lease	11,935
Accounting and auditing	8,853
Automobile expense	7,092
Dues and subscriptions	2,297
Depreciation	1,489
Travel, meetings, and conferences	<u>10,380</u>
Total operating services	<u>58,863</u>
Total expenses	<u>305,162</u>

GENERAL REVENUES

District allotment	376,475
Revenue sharing	13,333
On-behalf payments	117,157
Interest income	1,736
Other income	<u>7,556</u>
Total revenues	<u>516,257</u>
Change in net assets	211,095
Net assets, beginning of year	<u>38,430</u>
Net assets, end of year	<u>\$ 249,525</u>

The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
BALANCE SHEET - GOVERNMENTAL FUND
DECEMBER 31, 2006**

GENERAL FUND

ASSETS

Cash (NOTES 2 AND 3)	\$ 71,176
Investments	173,567
Due from Board of Assessors	<u>3,333</u>
Total assets	<u>\$248,076</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ <u>1,343</u>
Total liabilities	<u>1,343</u>
Fund Balance:	
Unreserved - undesignated	<u>246,733</u>
Total fund balance	<u>246,733</u>
Total liabilities and fund balance	<u>\$248,076</u>

The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
RECONCILIATION OF THE BALANCE SHEET-
GOVERNMENTAL FUND TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2006**

Total fund balance - Governmental Fund	\$246,733
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Amounts reported for governmental activities in
the Statement of Net Assets are different because:

Capital assets used in governmental activities
are not financial resources and therefore are
not reported in the fund (NOTE 4):

The cost of capital assets is	\$ 29,377	
Accumulated depreciation is	<u>(26,585)</u>	<u>2,792</u>

Net assets of governmental activities	\$ <u>249,525</u>
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The accompanying notes are an integral part of these financial statements.

FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE (DEFICIT)--GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

GENERAL FUND

REVENUES

District Allotment	\$376,475
Revenue sharing	13,333
On-behalf payments	117,157
Interest income	1,736
Other income	<u>7,556</u>
Total revenues	<u>516,257</u>

EXPENDITURES

Personnel services and related benefits:	
Salaries and wages	88,949
On-behalf payments for Assessor	117,157
Hospitalization insurance	10,765
Retirement	17,350
Payroll taxes	10,478
Other	<u>1,600</u>
Total personnel services and related benefits	<u>246,299</u>
Operating services:	
Office supplies and expenses	8,043
Assessor's personal expense allowance	8,774
Automobile lease	11,935
Accounting and auditing	8,853
Automobile expense	7,092
Dues and subscriptions	2,297
Capital outlays	2,350
Travel, meetings, and conferences	<u>10,380</u>
Total operating services	<u>59,724</u>
Total expenditures	<u>306,023</u>
Net change in fund balance	210,234
Fund balance, beginning of year	<u>36,499</u>
Fund balance, end of year	<u>\$246,733</u>

The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (DEFICIT)--GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006**

Total net change in fund balance--Governmental Fund	\$210,234
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Amounts reported for governmental activities in
the Statement of Net Assets are different because:

The Governmental Fund reported capital outlays as
expenditures whereas in the Statement of Activities,
these costs are depreciated over their estimated lives:

Capital assets purchased	2,350
Depreciation expense	<u>(1,489)</u>

Change in net assets of governmental activities	<u>\$211,095</u>
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The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Introduction:

The **First Municipal District Assessor, Parish of Orleans (the Assessor)**, is an independently elected official and is one of seven (7) assessors for Orleans Parish. There are seven (7) municipal districts with an independently elected assessor for each district. All assessor offices are located on the 4th floor of the Orleans Parish City Hall, 1300 Perdido Street. Louisiana Revised Statute (R.S.) 47:1909 states that the governing authority of the City of New Orleans shall provide suitable rooms in the City Hall for the use of the assessor of each municipal district and for the Board of Assessors. Therefore, the upkeep and maintenance costs of the assessors' offices are not included in the accompanying financial statements.

The Board of Assessor, Parish of Orleans (the Board), comprised of the seven Orleans Parish assessors, is the administrative body for the Orleans Parish assessors and their seven (7) municipal districts. R.S. 47:1909 provides that the assessors elected in the Parish of Orleans shall constitute a Board of Assessors for the Parish and each assessor shall independently exercise his functions in the assessing and listing of the property in and for his respective district within the Parish.

The Board's primary revenue is ad valorem taxes collected by the New Orleans Department of Finance - Bureau of Treasury (City Tax Collector) from the assessment tax rolls of the Parish. The seven (7) Orleans Parish assessors receive an allotment from the Board on a pro-rata basis for operation of their offices. The remaining funds of the Board are used to pay the Assessors' salaries and fringe benefits and administrative expenses of the Board.

The Assessor assesses all real and movable property in his municipal district subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and to provide assistance to the taxpayers in his district. The deputies are authorized to perform all functions of the office, but the Assessor is officially and pecuniarily responsible for the actions of the deputies. The Assessor has five employees.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Introduction, Continued:

The Assessor completes an assessment listing by August 1st of the tax year and submits the list to the Parish governing authority, as prescribed by law. Once the assessment listing is approved/certified by the Louisiana Tax Commission, the assessment roll is submitted to the City Tax Collector, who is responsible for the collection and distribution of taxes to the various taxing bodies.

The election for the First Municipal District Assessor is held every four years in the month of February and the elected assessor takes office on the first Monday in May.

NOTE 2 - Summary of Significant Accounting Policies:

Basis of Presentation

The accompanying financial statements of the Assessor have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Implementation of GASB Statements

The Assessor follows the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis- for State and Local Governments, as amended by GASB Statement No. 37 and No. 38, and applied those standards on a retroactive basis. GASB Statement No. 34 established standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net asset categories.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Implementation of GASB Statements, Continued

Invested in Capital Assets - consists of capital assets, net of accumulated depreciation.

Restricted Net Assets - result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributions, and the like, or imposed by law through constitutional provisions or enabling legislation. At December 31, 2006, the Assessor had no restricted net assets.

Unrestricted Net Assets - consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources which are imposed by management, but can be removed or modified.

The Statement of Activities - demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Reporting Entity

The Assessor is a separate governmental reporting entity. The Board determined that they were a separate governmental reporting entity and that each assessor of the Parish of Orleans was a separate governmental reporting entity. Therefore, for financial reporting purposes, the Assessor includes all funds that are controlled by the Assessor as an independently elected Parish official. The activities of other independently elected Parish officials and municipal level governments are not included within the accompanying financial statements.

Fund Accounting

The Assessor uses a fund (General Fund) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The fund of the Assessor is classified as a governmental fund (General Fund), which accounts for the Assessor's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets.

The General Fund, as provided by R.S. 47:1906, is the principal operating fund of the Assessor and accounts for the operation of the Assessor's office.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Assessor.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements (FFS)

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the governmental-wide statements and the statements for governmental funds are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Basis of Accounting/Measurement Focus, Continued

Fund Financial Statements (FFS), Continued

FFS report detailed information about the Assessor. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. At December 31, 2006, the general fund is the only major fund of the Assessor.

The General Fund is maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Assessor uses the following practices in recording revenues and expenditures.

Revenues

District allotments and revenue sharing are recorded in the year they are due and payable. Document transfer fees and legal fees reimbursed are recorded as revenues when received. Interest income on time deposits is recorded when the time deposits have matured.

Expenditures

Expenditures are recognized in the accounting period in which the liability is incurred.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Budgetary Accounting

Louisiana law (R.S. 1305 and 1309) requires the Assessor to prepare and adopt a budget for the General Fund before the beginning of the ensuing fiscal year. The budget is prepared based on the prior year's actual revenues and expenditures, along with any financial forecasting that may be necessary.

Any unused appropriations for budgeted funds lapse at year end. The Assessor has sole governing authority to amend the budget. Encumbrance accounting is not employed as a management control device. Unexpected appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance. Budget amounts included in the accompanying financial statements reflect the originally adopted budget and all subsequent amendments.

On-Behalf Payments for Fringe Benefits and Salaries

On-behalf payments for fringe benefits and salaries totaled \$117,157 for the year. The Assessor's salary of \$87,740 was paid directly to the Assessor from the Board. In addition, the Board paid fringe benefits, which includes pension plan contributions and health insurance premiums, totaling \$29,417 on behalf of the Assessor. On-behalf payments are reported as revenues (on-behalf payments) and expenditures (personal services and related benefits) in the financial statements.

Certain operating expenditures of the Assessor's office are paid by the City of New Orleans and are not included in the accompanying financial statements. These operating expenditures include office space, utilities, telephones, and janitorial services.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and time certificates of deposit with original maturities of 90 days or less. Under state laws, the Assessor may deposit funds in demand deposits, interest-bearing demand deposits, or time certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Capital Assets

Capital assets are valued at historical cost (at the time purchased), or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value on the date received.

Leave

The Assessor has the following policy relating to vacation and sick leave:

Employees earn 10 days of vacation leave upon completion of one year of employment. Upon five years of employment and up to 15 years of employment, employees earn 15 days of vacation leave. Employees with more than 15 years of employment earn 20 days of vacation leave. Vacation leave not taken/used at the end of the year is not carried over the following year. Therefore, a liability for unused vacation leave at December 31, 2006, is not recorded in the financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Leave, Continued

Employees earn sick leave at the rate of one-half day for each month of employment. Employees may accumulate sick leave indefinitely. Unused sick leave can be taken only in the event of illness and is not convertible to pay upon termination of employment or retirement. Therefore, a liability for unused sick leave at December 31, 2006, is not recorded in the financial statements.

Vacation and sick pay expenditures are charged to operations when incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 - Cash and Cash Equivalents:

At December 31, 2006, the Assessor has cash and cash equivalents (book balances) totaling \$71,176.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Cash and Cash Equivalents, Continued:

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of any pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2006, the Assessor has \$71,176 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance and are not subject to custodial credit risk.

NOTE 4 - Capital Assets:

Capital assets and depreciation activity as of and for the year ended December 31, 2006 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Assets</u>				
Furniture, fixtures and equipment	\$27,027	\$ 2,350	\$ -0-	\$ 29,377
<u>Accumulated Depreciation</u>				
Furniture, fixtures and equipment	(25,096)	(1,489)	-0-	(26,585)
Net capital assets	\$ <u>1,931</u>	\$ <u>861</u>	\$ <u>-0-</u>	\$ <u>2,792</u>

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 5 - Pension Plan:

Plan Description

Substantially all employees of the Assessor's office are members of the Louisiana Assessors' Retirement System (the System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees that are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3.33% of their highest monthly average final compensation received during any 36 consecutive months while employed times the number of years of the member's creditable service not to exceed 100% of their monthly average final compensation, after taking into account the reduction arising from any optional retirement selected.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 14699, Baton Rouge, Louisiana 70898, or by calling (225) 928-8886.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 5 - Pension Plan, Continued:

Funding Policy

Plan members are required by state statute to contribute 8.5% of their annual covered salary and the Assessor is required to contribute at an actuarially determined rate. The current rate is 3.5% of annual covered payroll. Contributions to the System also include one-fourth of 1% (1% for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Assessor are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Assessor's contributions (excluding the contributions made by the Board on-behalf of the Assessor) to the System for the years ended December 31, 2006, 2005 and 2004, were \$17,350, \$21,582 and \$22,286, respectively equal to the required contributions for each year.

NOTE 6 - Lease Commitment:

The Assessor leases an automobile that is accounted for as an operating lease. The Assessor entered into a lease agreement, which is for forty-eight (48) monthly payments of \$400, beginning December 22, 2006 and ending on December 22, 2010. For the year ended December 31, 2006, automobile lease expenditures/expenses totaled \$11,935.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 6 - Lease Commitment, Continued:

At December 31, 2006, the future minimum annual commitments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2007	\$ 4,800
2008	4,800
2009	4,800
2010	<u>4,400</u>
Total	<u>\$18,800</u>

NOTE 7 - Risk Management:

The Assessor is exposed to various risks of loss related to limited torts, theft of, damage to and destruction of assets; errors and omissions and natural disasters for which **the Assessor** is covered by commercial insurance.

NOTE 8 - Contingency Litigation:

The Assessor has been a defendant in lawsuits arising principally in the normal course of operations. For the year ended December 31, 2006, no outstanding lawsuits existed against **the Assessor**.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 9 - Investments:

Investment held at December 31, 2006, consist of \$173,567 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at December 31, 2006 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in a pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest, in accordance with LAS-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LAS-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 9 - Investments, Continued:

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

SUPPLEMENTARY INFORMATION

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Final Budget</u>
				<u>Favorable (Unfavorable)</u>
REVENUES				
District allotment	\$195,258	\$376,475	\$376,475	\$ -0-
Revenue sharing	-0-	13,333	13,333	-0-
On-behalf payments	117,157	117,157	117,157	-0-
Interest income	-0-	1,750	1,736	(14)
Other income	<u>900</u>	<u>1,915</u>	<u>7,556</u>	<u>5,641</u>
Total revenues	<u>313,315</u>	<u>510,630</u>	<u>516,257</u>	<u>5,627</u>
EXPENDITURES				
Personnel services and related benefits:				
Salaries and wages	71,000	88,949	88,949	-0-
On-behalf payments for Assessor	117,157	117,157	117,157	-0-
Hospitalization insurance	10,800	10,800	10,765	35
Retirement	13,000	17,300	17,350	(50)
Payroll taxes	4,200	10,479	10,478	1
Other	<u>-0-</u>	<u>1,600</u>	<u>1,600</u>	<u>-0-</u>
Total personnel services and related benefits	<u>216,157</u>	<u>246,285</u>	<u>246,299</u>	<u>(14)</u>
Operating services:				
Office supplies and expenses	1,500	7,830	8,043	(213)
Assessor's personal expense allowance	8,774	8,774	8,774	-0-
Automobile lease	4,777	11,934	11,935	(1)
Accounting and auditing	8,000	8,850	8,853	(3)
Automobile expense	408	7,118	7,092	26
Dues and subscriptions	-0-	2,300	2,297	3
Other	-0-	245	-0-	245
Travel, meetings and conferences	8,660	10,335	10,380	(45)
Capital outlays	<u>-0-</u>	<u>-0-</u>	<u>2,350</u>	<u>(2,350)</u>
Total operating services	<u>32,119</u>	<u>57,386</u>	<u>59,724</u>	<u>(2,338)</u>
Total expenditures	<u>248,276</u>	<u>303,671</u>	<u>306,023</u>	<u>(2,352)</u>
Net change in fund balance	65,039	206,959	210,234	3,275
Fund balance, beginning of year	<u>34,046</u>	<u>36,499</u>	<u>36,499</u>	<u>-0-</u>
Fund balance, end of year	<u>\$ 99,085</u>	<u>\$243,458</u>	<u>\$ 246,733</u>	<u>\$ 3,275</u>

See Accompanying Independent Auditors' Report.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Honorable Darren Mire
First Municipal District Assessor,
Parish of Orleans
New Orleans, Louisiana

We have audited the financial statements of **First Municipal District Assessor, Parish of Orleans (the Assessor)** as of and for the year ended December 31, 2006, and have issued our report thereon dated June 15, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Assessor's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Assessor's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Assessor's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Assessor's

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Assessor's financial statements that is more than inconsequential will not be prevented or detected by the Assessor's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Assessor's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Assessor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

This report is intended solely for the use of the Assessor, its management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 15, 2007

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

We have audited the financial statements of the **First Municipal District Assessor, Parish of Orleans** as of and for the year ended December 31, 2006, and have issued our report thereon dated June 15, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2006 resulted in an unqualified opinion.

I. Summary of Independent Auditors' Results

- A. Control deficiencies in internal control were disclosed by the audit of the financial statements: none reported significant deficiencies: none reported material weaknesses: no.
- B. Noncompliance which is material to the financial statements: No.
- C. Reportable conditions in internal control over major programs: N/A Material Weaknesses: N/A.
- D. The type of report issued on compliance for major programs: N/A.
- E. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: N/A
- F. Major programs: N/A
- G. Dollar threshold used to distinguish between Type A and Type B programs: N/A.
- H. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: N/A.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2006**

I. A management letter was issued: No.

II. **Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards**

No matters were reported.

III. **Findings and Questioned Costs Relating to Federal Awards**

Not applicable.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2006**

**I. FINDINGS RELATING TO THE FINANCIAL STATEMENTS
REPORTED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

No matters reported.

II. INTERNAL CONTROL AND FEDERAL COMPLIANCE

Not applicable.

III. MANAGEMENT LETTER

No management letter comments reported.